

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD

FINANCIAL STATEMENTS

For the Year Ended December 31, 2008



AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2008 and the statement of operations and net financial assets for the year then ended. The Board is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
February 17, 2009

Fred Wendel, CMA, CA
Provincial Auditor

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

1. Authority

The Municipal Potash Tax Sharing Administration Board (Board) was established under Section 3 of *The Municipal Tax Sharing (Potash) Act* (Act). Under provisions of the Act, taxes levied by rural municipalities on potash mines are remitted to the Board. The Board administers the tax sharing program established under the Act. Disbursements to municipalities, located within the areas of influence of a potash development, are made on the basis of formulae prescribed in regulations to the Act.

2. Significant Accounting Policies

These financial statements have been prepared using generally accepted accounting principles as recommended by the Public Service Accounting Board of the Canadian Institute of Chartered Accountants. The following accounting policies are considered significant.

a) Revenue

The municipal taxes received from rural municipalities are recognized as revenue when received or receivable.

b) Tax Sharing Distributions

Tax sharing distributions are recorded as an expense when the calculations have been approved by the Board.

3. Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

4. Administration Costs

The regulations permit the Board to withhold up to 0.5% of taxes received, to a maximum of \$25,000, for the general administration of the Board. During the year, the Board withheld 0.20% (2007 - 0.22%) of taxes received totalling \$17,552 (2007 - \$16,225).

5. Municipal Taxes From Rural Municipalities

<u>Municipality</u>	<u>RM#</u>	<u>Budget 2008</u>	<u>Actual 2008</u>	<u>Actual 2007</u>
Rocanville	151	\$ 995,230	\$ 995,230	\$ 828,120
Spy Hill	152	918,612	918,611	890,143
Pense	160	650,741	650,741	584,003
Langenburg	181	637,999	637,998	561,619
Usborne	310	1,664,710	1,664,708	1,265,787
Colonsay	342	841,674	841,674	691,554
Blucher	343	1,000,159	1,000,159	796,613
Corman Park	344	805,324	805,324	677,342
Vanscoy	345	1,261,695	1,261,695	1,079,838
		<u>\$ 8,776,144</u>	<u>\$ 8,776,140</u>	<u>\$ 7,375,019</u>

6. Budget

The budgeted amounts disclosed in these statements are those approved by the Board.

7. Distribution of Funds

As per Section 7(1) of the General Regulations under *The Municipal Potash Tax Sharing (Potash) Act*, the funds available for distribution to municipalities are disbursed to the municipalities in each unit with 90% being paid to the rural municipalities and 10% being paid to the urban municipalities.

Statement 1**Municipal Potash Tax Sharing Administration Board
Statement of Financial Position
As at December 31**

	<u>2008</u>	<u>2007</u>
Financial Assets		
Cash	<u>\$ 13,008</u>	<u>\$ 11,056</u>
Total Financial Assets	<u>\$ 13,008</u>	<u>\$ 11,056</u>
Net Financial Assets - Statement 2	<u><u>\$ 13,008</u></u>	<u><u>\$ 11,056</u></u>

(see accompanying notes to the financial statements)

Statement 2

**Municipal Potash Tax Sharing Administration Board
Statement of Operations and Net Assets
For Year Ended December 31**

			2008	2007
Revenue:				
Municipal taxes received from rural municipalities (Note 5)			\$ 8,776,140	\$ 7,375,019
			<u>8,776,140</u>	<u>7,375,019</u>
Less: Tax sharing distributions (Schedule 1)				
Areas of Influence	Rural	Urban		
Saskatoon Lanigan	\$ 5,006,171	\$ 556,241	5,562,412	4,501,209
Esterhazy	2,292,062	254,674	2,546,736	2,274,867
Pense	584,496	64,944	649,440	582,718
	<u>\$ 7,882,729</u>	<u>\$ 875,859</u>	<u>8,758,588</u>	<u>7,358,794</u>
Revenue held for general administration (Note 4)			17,552	16,225
Expenditures:				
Office facilities - Saskatchewan Association of Rural Municipalities			10,000	10,000
Secretary-Treasurer's Honorarium & Per Diem			4,450	4,450
Board Members' Per Diem			950	950
Insurance			200	200
			<u>15,600</u>	<u>15,600</u>
Surplus (Deficit) for the year			1,952	625
Net financial assets, beginning of year			<u>11,056</u>	<u>10,431</u>
Net financial assets, end of year - to Statement 1			<u>\$ 13,008</u>	<u>\$ 11,056</u>

(see accompanying notes to the financial statements)

Schedule 1

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities

For the Year Ended December 31

	Budget 2008	Actual 2008	Actual 2007
Saskatoon/Lanigan Area			
<u>Rural Municipalities</u>			
279 Mount Hope	\$ 796	\$ 796	\$ 686
280 Wreford	37,358	37,358	35,362
281 Wood Creek	4,724	4,724	3,811
283 Rosedale	2,329	2,329	1,916
309 Prairie Rose	104,696	104,696	78,008
310 Osborne	568,532	568,532	493,612
312 Morris	294,056	294,056	229,938
313 Lost River	230,947	230,947	159,517
314 Dundurn	162,823	162,823	127,346
315 Montrose	163,501	163,501	130,859
316 Harris	33,938	33,938	29,466
339 Leroy	67,557	67,557	50,885
340 Wolverine	424,684	424,684	312,842
341 Viscount	349,394	349,393	278,234
342 Colonsay	396,934	396,934	307,160
343 Blucher	420,349	420,349	363,836
344 Corman Park	597,089	597,089	502,769
345 Vanscoy	650,067	650,067	564,989
346 Perdue	164,148	164,148	128,929
371 Bayne	44,973	44,973	30,913
372 Grant	84,308	84,308	48,979
373 Aberdeen	170,832	170,832	148,323
376 Eagle Creek	32,137	32,137	22,708
	<u>5,006,173</u>	<u>5,006,171</u>	<u>4,051,088</u>

Urban Municipalities

Town of Aberdeen	12,196	12,196	9,869
Town of Allan	58,410	58,410	47,267
Town of Asquith	13,330	13,330	10,787
Village of Bradwell	16,847	16,847	13,633
Village of Clavet	31,936	31,936	25,843
Town of Colonsay	39,341	39,341	31,836
Town of Dalmeny	29,622	29,622	23,970
Town of Delisle	83,126	83,126	67,267
Village of Drake	5,369	5,369	4,345
Village of Elstow	8,424	8,424	6,817
RM of Osborne No.310	8,146	8,146	6,592
Village of Kinley	810	810	655
Town of Langham	24,531	24,531	19,851

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

	Budget 2008	Actual 2008	Actual 2007
Saskatoon/Lanigan Area			
<u>Urban Municipalities</u>			
Town of Lanigan	103,398	103,398	83,672
Town of Martensville	740	740	599
Village of Meacham	1,620	1,620	1,311
Village of Perdue	8,516	8,516	6,892
Village of Plunkett	1,736	1,736	1,405
Village of Vanscoy	31,381	31,381	25,394
Village of Viscount	23,235	23,235	18,802
Town of Vonda	7,452	7,452	6,030
Town of Warman	5,461	5,461	4,420
Town of Watrous	31,751	31,751	25,693
Village of Young	6,086	6,086	4,925
Village of Zelma	2,777	2,777	2,246
	<u>556,241</u>	<u>556,241</u>	<u>450,121</u>
Area Total	<u>5,562,414</u>	<u>5,562,412</u>	<u>4,501,209</u>

Esterhazy Area**Rural Municipalities**

121 Moosomin	67,309	67,309	60,772
122 Martin	20,819	20,819	18,784
151 Rocanville	447,759	447,759	404,600
152 Spy Hill	609,684	609,683	589,546
153 Willowdale	50,066	50,065	39,197
181 Langenburg	499,982	499,982	431,967
183 Fertile Belt	385,895	385,895	317,479
211 Churchbridge	131,139	131,139	109,782
213 Saltcoats	79,411	79,411	75,254
	<u>2,292,064</u>	<u>2,292,062</u>	<u>2,047,381</u>

Urban Municipalities

Village of Atwater	449	449	401
Village of Bangor	898	898	802
Town of Bredenbury	5,909	5,909	5,278
Town of Churchbridge	12,645	12,645	11,295
Town of Esterhazy	101,877	101,877	91,001
Village of Gerald	8,909	8,909	7,958
Town of Langenburg	18,392	18,392	16,429
Town of Rocanville	62,434	62,434	55,769

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities

For the Year Ended December 31

	Budget 2008	Actual 2008	Actual 2007
Esterhazy Area			
<u>Urban Municipalities</u>			
Village of Spy Hill	14,441	14,441	12,899
Village of Stockholm	5,801	5,801	5,182
Village of Tantalton	7,544	7,544	6,738
Village of Welwyn	10,202	10,202	9,113
Village of Yarbo	5,173	5,173	4,621
	<u>254,674</u>	<u>254,674</u>	<u>227,486</u>
Area Total	<u>2,546,738</u>	<u>2,546,736</u>	<u>2,274,867</u>
Pense Area			
<u>Rural Municipalities</u>			
129 Bratt's Lake	4,525	4,525	4,039
130 Redburn	80,119	80,119	72,958
131 Baidon	31,818	31,818	28,973
159 Sherwood	48,856	48,856	41,146
160 Pense	250,529	250,529	228,258
161 Moose Jaw	110,777	110,777	100,889
189 Lumsden	16,694	16,694	13,888
190 Dufferin	29,084	29,084	24,974
191 Marquis	12,094	12,094	9,321
	<u>584,496</u>	<u>584,496</u>	<u>524,446</u>
<u>Urban Municipalities</u>			
Village of Belle Plaine	4,599	4,599	4,127
Village of Bethune	6,629	6,629	5,948
Village of Briercress	2,102	2,102	1,886
Village of Disley	1,114	1,114	999
Village of Drinkwater	4,671	4,671	4,191
Village of Grand Coulee	7,815	7,815	7,012
Village of Pense	36,433	36,433	32,690
Village of Tuxford	1,581	1,581	1,419
	<u>64,944</u>	<u>64,944</u>	<u>58,272</u>
Area Total	<u>649,440</u>	<u>649,440</u>	<u>582,718</u>
Total tax sharing - to Statement 2	<u>\$ 8,758,591</u>	<u>\$ 8,758,588</u>	<u>\$ 7,358,794</u>



